

AMENDMENT TO EXHIBIT 16

I. INTRODUCTION AND SUMMARY

On April 28, 2010, certain subsidiaries of the Tribune Company (“Tribune”) filed FCC applications seeking approval of the assignment of licenses in connection with Tribune’s anticipated emergence from bankruptcy as a reorganized entity (the reorganized Tribune Company is hereinafter referred to as “Reorganized Tribune,” and the applicants as the “Reorganized Licensees”). Five of those applications, including the instant application, requested waivers of the newspaper/broadcast cross-ownership rule (“NBCO Rule”) to permit the continued common ownership of newspaper and broadcast combinations held by Tribune (the “Initial Waiver Requests”).¹ The purpose of this amendment is to address the Third Circuit’s decision in *Prometheus Radio Project v. FCC* (“*Prometheus II*”)² and the FCC’s Notice of Proposed Rulemaking in its 2010 Quadrennial Review (“*2011 NPRM*”),³ both of which were

¹ Reorganized Licensees are seeking waivers of the NBCO Rule for the following combinations: (1) WGN-TV, WGN(AM), and the *Chicago Tribune* (FCC File No. BALCDT-20100428AEL); (2) KTLA(TV) and the *Los Angeles Times* (FCC File No. BALCDT-20100428ADV); (3) WSFL-TV and the *Sun Sentinel* (FCC File No. BALCDT-20100428ADY); (4) WTIC-TV, WCCT-TV (formerly WTXX(TV)), and the *Hartford Courant* (FCC File Nos. BALCDT-20100428ADQ, BALCDT 20100428ADX); and (5) WPIX(TV) and the *New York Daily News* (FCC File No. BALCDT-20100428ADP).

² 652 F.3d 431 (3d Cir. 2011) (“*Prometheus II*”), *reh’g denied*, Order (3d Cir. Sept. 6, 2011). Multiple petitions for writ of *certiorari*, including one in which Tribune joined, were filed in late 2011, have been opposed, and remain pending. *See Tribune Co., et al. v. FCC, et al.*, No. 11-696 (filed Dec. 5, 2011); *see also Media General, Inc. v. FCC, et al.*, No. 11-691 (filed Dec. 5, 2011); *Nat’l Ass’n of Broad. v. FCC, et al.*, No. 11-698 (filed Dec. 5, 2011).

³ 2010 Quadrennial Regulatory Review—Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996; Promoting Diversification of Ownership in the Broadcasting Services, Notice of Proposed Rulemaking, FCC 11-186, MB Docket Nos. 09-182, 07-294 (rel. Dec. 22, 2011) (“*2011 NPRM*”).

issued after the Initial Waiver Requests were filed, and to provide updated information in support of the requested waivers.⁴

As discussed further below, the Third Circuit in *Prometheus II* vacated the revised standards for waivers of the NBCO Rule that the FCC adopted in 2008 on the ground that those standards had not been subject to sufficient notice and comment under the Administrative Procedure Act (“APA”).⁵ In the *2011 NPRM*, however, the FCC has stated that it “continue[s] to believe . . . that a blanket prohibition on newspaper/broadcast combinations is overly broad and does not allow for certain cross-ownerships that may carry public interest benefits” and has tentatively concluded that it should replace the absolute ban on cross-ownership with a presumptive waiver standard that would generally incorporate most elements of the 2008 rule.⁶

In its Initial Waiver Request, the Reorganized Licensee demonstrated that the grant of a permanent waiver of the NBCO Rule would have been appropriate under the modified waiver standards that were adopted by the FCC in 2008, and is also appropriate under the standards that the FCC had applied to such requests since the NBCO Rule’s inception in 1975.⁷ The Reorganized Licensee also demonstrated that, in the alternative, a temporary waiver of the NBCO Rule until 18 months after completion of pending proceedings to revise the NBCO Rule

⁴ The applications are concurrently being amended to reflect additional developments that have occurred since their initial filing, including the submission of a Third Amended Plan of Reorganization to the Bankruptcy Court.

⁵ *Prometheus II*, 652 F.3d at 449-54.

⁶ *2011 NPRM*, ¶¶ 89-90, 101-102.

⁷ See Initial Waiver Request Section IV.

is warranted.⁸ The Reorganized Licensee further explained that the grant of a waiver of the NBCO Rule is required under the APA and the Constitution, as well as the FCC's settled policy of affording comity to the bankruptcy process.⁹

In support of its Waiver Request, the Reorganized Licensee presented extensive showings concerning the extremely high level of public service that the co-owned properties have long provided to the market that they serve and established that the grant of a NBCO Rule waiver is necessary to allow these benefits to continue.¹⁰ The Reorganized Licensee emphasized that the grant of a waiver would simply preserve the *status quo* with respect to this existing combination, and as a result would, by definition, have no impact on existing levels of competition in the local market.¹¹ In addition, the Reorganized Licensee established that the market served by the newspaper/broadcast combination is in any event remarkably diverse and competitive—both in terms of traditional media outlets and additional new media such as Internet sources—and that allowing continued common ownership would thus have no adverse impact on competition.¹² To the contrary, the Reorganized Licensee showed that failure to grant the requested relief would have adverse public interest effects.¹³

⁸ See *id.* Section V.

⁹ See *id.* Sections III.D-E.

¹⁰ See *id.* Section III.A.

¹¹ See *id.* Sections III.E.3, IV.

¹² See *id.* Section III.B.

¹³ See *id.* Section III.C.

As explained below, the Reorganized Licensee is entitled to a permanent waiver of the NBCO Rule. In the period since the filing of the Initial Waiver Request, the marketplace has only become more competitive, while newspapers and broadcast stations have continued to face increasingly severe economic challenges. Furthermore, the properties have continued to deliver consistently outstanding and diverse local public service benefits that would not be possible absent common ownership. And, as Tribune's bankruptcy proceedings have now extended for more than three years, the interest in comity has taken on added significance.

Accordingly, under any reasonable waiver standard, the Reorganized Licensee is entitled to a permanent waiver of the NBCO Rule that would allow continued common ownership by the Reorganized Licensee, as well as subsequent sale of the properties in tandem. At the very least, the FCC should grant the Reorganized Licensee a temporary waiver until 18 months after the Commission completes its review of the NBCO Rule and that action becomes a final order no longer subject to judicial review.

II. THE NEWSPAPER AND BROADCASTING INDUSTRIES CONTINUE TO FACE SEVERE ECONOMIC CHALLENGES AND CONSTANTLY INCREASING COMPETITION.

In its Initial Waiver Request, the Reorganized Licensee demonstrated the unprecedented negative effects that the recent economic crisis has had on the newspaper and broadcasting industries, including Tribune's resultant filing for bankruptcy protection in December of 2008.¹⁴ The Initial Waiver Request also documented the substantial and ever growing competition that traditional media, including the commonly owned outlets, face in the contemporary information

¹⁴ See *id.* Section II.C.

marketplace.¹⁵ Since the filing of the Initial Waiver Request, the marketplace has only become more competitive, and the newspaper and broadcasting industries have continued to face severe economic challenges.

Indeed, in the *2011 NPRM*, the Commission recognizes that “[t]he proliferation of broadband Internet and other new technologies has had a dramatic impact on the media marketplace,” and that “[c]onsumers are increasingly turning to online and mobile platforms to access news content and audio and video programming.”¹⁶ Moreover, in June 2011, the FCC’s Future of Media Working Group, led by former journalist Steve Waldman, released a comprehensive report that not only provides a detailed analysis of the current media landscape and examines how media is serving the information needs of citizens, but also reaffirms the troubling economic trends faced by newspapers and broadcasters.¹⁷ As the FCC explains in the *2011 NPRM*, the Working Group’s *Report* “finds that the Internet has created more diversity and

¹⁵ See *id.* Section III.B.

¹⁶ *2011 NPRM*, ¶ 1; see also, e.g., *id.* ¶ 15 (“As a result of the growing availability of the Internet and the proliferation of wireless technology, consumers are accessing news and public affairs programming through their computers and electronic devices.”); *id.* at ¶ 133 (citing *2010 Quadrennial Regulatory Review—Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Notice of Inquiry, 25 FCC Rcd 6086, 6088 ¶ 6 (2010) (citing Kristen Purcell, *et al.*, Pew Research Center’s Project for Excellence in Journalism, *Understanding the Participatory News Consumer: How Internet and Cell Phone Users Have Turned News Into a Social Experience* (2010), available at http://www.journalism.org/sites/journalism.org/files/Participatory_News_Consumer.pdf (last visited Mar. 15, 2012))).

¹⁷ Steve Waldman & the Working Group on Information Needs of Communities, *The Information Needs of Communities: The Changing Media Landscape in a Broadband Age* (June 2011) (“*Future of Media Report*” or “*Report*”), available at http://transition.fcc.gov/osp/inc-report/The_Information_Needs_of_Communities.pdf (last visited Mar. 15, 2012).

choice in news and information, and that most communities have seen a rise in the number and diversity of outlets, as well as more diversity in commentary and analysis.”¹⁸

Further, the *2011 NPRM* recognizes that “the growth of these new technologies both challenges established business models and provides opportunities to reach new audiences and generate new revenue streams,” resulting in a situation in which “[b]roadcast and newspaper consumption in traditional forms is in decline, and advertising revenues have been shrinking in recent years.”¹⁹ Similarly, the *Future of Media Report* observes that “[a]s technology offered consumers new choices, it upended traditional news industry business models, resulting in massive job losses—including roughly 13,400 newspaper newsroom positions in just the past four years.”²⁰ The *Report* confirms that the newspaper industry faces a broad array of challenges in an information marketplace that is increasingly dominated by the Internet, accurately depicting—at best—a bleak picture of the current state of the newspaper industry:

Newspapers across the country have experienced severe cutbacks during the past decade, which has undermined their ability to perform their role as the nation’s watchdog. Ad revenue dropped nearly 48 percent between 2005 and 2010, and with it the industry’s annual spending on reporting and editing capacity dropped by \$1.6 billion, from 2006 to 2009, a reduction of more than 25 percent. . . . The number of full-time journalists at daily newspapers fell from a peak of about 56,900 in 1989 to 41,600 in 2010, a level not seen since before the Watergate era.²¹

¹⁸ *2011 NPRM*, ¶ 133 (citing *Report* at 119-20).

¹⁹ *Id.* at ¶ 3.

²⁰ *Future of Media Report* at 5.

²¹ *Id.* at 34 (citations omitted).

The Internet has dramatically undercut newspaper revenues, contributing in large part to the newspaper industry's economic woes—in 2000, newspaper print advertising revenue totaled \$48.7 billion, but ten years later it plummeted more than 50% to \$22.8 billion.²² Although newspapers have gained audience on the Internet, their online advertising revenue has not even come close to making up the loss in advertising dollars from print editions.²³

As detailed in the Initial Waiver Request, the sharp drop in newspaper advertising revenue resulted in cutbacks in operations—numerous newspapers stopped publishing print editions, some switched to online-only editions, and many ceased to exist in any form.²⁴ The *Future of Media Report* confirms these trends.²⁵ The 2011 NPRM and the *Report* similarly

²² *Id.* at 39 (citation omitted); *see also id.* at 128 (observing that “in 2010, advertisers spent more money online than in print newspapers”); *Inside Radio News Ticker...Newspaper Spending Falls Again*, INSIDE RADIO (Sept. 2, 2011) (“Advertisers spent less on print for the 20th consecutive quarter dating back to 2006, and fresh Newspaper Association of America data shows no sign of a reversal of fortune. Despite an 8% gain in digital dollars, NAA says overall newspaper revenue fell 7% during second quarter.”).

²³ *Future of Media Report* at 39 (“Online ad revenue for the entire newspaper industry grew by a billion between 2005 and 2010. But print advertising lost \$24.6 billion. This led to the saying in the newspaper world that ‘print dollars were being replaced by digital dimes.’ That turns out to be a rather cheerful way of phrasing it. More accurately: each print dollar was being replaced by four digital pennies.”). The *Future of Media Report* notes that classified advertising was “hit the hardest, as consumers and advertisers found themselves with an array of much cheaper, faster, and more efficient alternatives,” including popular online alternatives such as Craigslist, Google, and numerous specialty websites for posting information on jobs, cars, and real estate. *Id.* at 39-40. Between 2000 and 2010, newspapers’ revenue from advertisements for employment, real estate, vehicles, and smaller items and services fell an astonishing 71 percent from \$19.6 billion (when it accounted for 40 percent of newspapers’ total print advertising revenue) to \$5.6 billion (amounting to just 25 percent of newspapers’ total print advertising revenue). *Id.* (citation omitted). Significant declines in national and retail advertising dealt newspapers a “double whammy”—“just as classified advertisers migrated to the Internet, national advertisers cut spending and shifted some resources to other media, including cable television, niche publications, and the Internet.” *Id.* at 40 (citation omitted). In 2010, newspapers’ national advertising revenues were \$4.2 billion, down from a high of \$8 billion in 2004, while newspapers’ retail advertising revenues were \$12.9 billion, down from a high of \$22 billion in 2005. *Id.* at 39-40 (citation omitted).

²⁴ *See* Initial Waiver Request Section II.C.

²⁵ *Future of Media Report* at 40-41 (providing a comprehensive list of newspapers that have closed or eliminated a newsprint edition between 2007 and 2010); *see also id.* at 42 (“In 2009 alone, the website Paper Cuts counted 34

corroborate that staffing cutbacks have been widespread; the *2011 NPRM* recognizes that “[s]ome broadcast and newspaper outlets have contracted the size of news staffs in response” to the proliferation of new media outlets,²⁶ and the *Report* concludes that “[t]he loss of revenue precipitated a more than 25 percent reduction in newsroom staffs, affecting reporters, editors, online producers, photographers, artists, and videographers.”²⁷ The *Future of Media Report* concludes that these dramatic cutbacks “appear to have caused genuine harm to American citizens and local communities,” as fewer newsrooms can afford to work on labor-intensive, investigative stories and newspapers have had to eliminate or reduce coverage of important areas such as state government, municipal government, crime and criminal justice, health, and education.²⁸ As shown in the Initial Waiver Request and in Section III, *infra*, however, Tribune has continued to invest in newsroom operations and provide such coverage despite its economic difficulties.

The *2011 NPRM* and the *Future of Media Report* also confirm, as demonstrated in the Initial Waiver Request,²⁹ that the television broadcast industry faces similar challenges from cable, satellite, and other MVPDs as well as the rapidly increasing availability of competitive video content via the Internet. The *2011 NPRM* acknowledges increases in subscribership

papers that had laid off more than 100 employees each. Meanwhile, journalists across the country who managed to hang onto their jobs often were forced to accept unpaid furloughs, pay cuts, or both.”) (citations omitted).

²⁶ *2011 NPRM*, ¶ 3.

²⁷ *Future of Media Report* at 40 (citation omitted).

²⁸ *Id.* at 44-55, 57.

²⁹ See Initial Waiver Request Sections II.C., III.B.

reported by satellite television companies, as well as the widespread availability of online video content.³⁰ Similarly, according to the *Report*, the television broadcast industry has been suffering economic declines as “[t]he broadcast audience continue[s] its drift to cable, satellite, and the Internet.”³¹ In particular, “[t]he economic changes from 2005 to 2008 hit local news-producing stations especially hard.”³² Citing statistics from the National Association of Broadcasters, the *Report* indicates that local television news pre-tax profits dropped 56.3% between 1998 and 2008.³³ Further, local television stations have had to make staffing cuts or undertake other cost-saving measures, even where they are producing more newscasts and news content; nearly two-thirds of local television news directors reported staff cuts in 2009, and the median full-time staff of stations dropped from 32 in 2006 to 29 in 2009.³⁴

These trends can only be expected to continue, and, even if the industry were to make a dramatic recovery, broadcast television would still face vibrant competition for viewers and advertising dollars from cable and satellite television and the Internet. Indeed, the *Report*

³⁰ 2011 NPRM, ¶ 2.

³¹ *Future of Media Report* at 73 (providing chart which shows that, in 2010-2011, ad-supported cable had a 60 percent household primetime share level as compared to 36 percent for television broadcasters); *see also id.* at 102 (stating that “the audience is shifting away from broadcast television to cable and the Internet, both of which are drawing off viewers and advertisers”).

³² *Id.* at 74.

³³ *Id.* (citation omitted).

³⁴ *Id.* at 79 (citations omitted). The *Report* also concludes that television revenues rose in 2010 and that “the economic prospects for local broadcast stations and their news operations remain brighter than the outlook for local newspapers.” *Id.* at 74. However, television revenues still have not returned to their pre-downturn levels and are unlikely to do so given the ever-expanding competition for advertising dollars from the Internet and other new media.

indicates that the number of cable subscribers has increased steadily since its inception, with 62 million subscribers in 2009, and direct broadcast satellite (DBS) has also become a “significant provider of video services,” with DirecTV serving 19.2 million subscribers and DISH Network serving 14.3 million subscribers.³⁵ Moreover, “as IPTV (Internet TV) becomes a more common form of TV watching, local TV stations may suffer, too,” as “the higher ad rates charged on traditional media will likely be undercut by the lower ad rates on the Internet.”³⁶

As highlighted above and in the Initial Waiver Request,³⁷ the Internet is vying with traditional media sources for consumers and advertising. As the number of Americans with Internet access (and high-speed Internet access in particular) rises, the importance of the Internet as a source of news and information is also growing. A recent study by the Pew Research Center and the Knight Foundation found that: “The [I]nternet has already surpassed newspapers as a source Americans turn to for national and international news. The findings from this survey now show its emerging role as a source for local news and information as well.”³⁸ The fact that more people are turning to the Internet for local topics “poses a major challenge to more traditional news providers, especially newspapers, which have often aspired to be a relatively

³⁵ *Id.* at 109, 114 (citations omitted).

³⁶ *Id.* at 270.

³⁷ See Initial Waiver Request Sections II.C., III.B.

³⁸ Pew Project for Excellence in Journalism, Pew Internet & American Life Project & Knight Foundation, *How People Learn About Their Local Community* (Sept. 2011) at 22, available at http://www.knightfoundation.org/media/uploads/publication_pdfs/Pew_Knight_Local_News_Report_FINAL.pdf (last visited Mar. 15, 2012) (“*Pew Community Information Study*”); see also *id.* at 22 (noting that the Internet is either the most popular source or tied with newspapers as the most popular source among all adults for five of the 16 local topics covered by the survey, and that the Internet is an even more significant source for local news and information among the 79 percent of Americans who are online).

comprehensive source of information on all of these topics.”³⁹ Although the survey found that newspapers are one of the most relied upon sources for a wide range of local topics, it found that 69% of Americans believe that the death of their local newspaper would have *no impact or a minor impact* on their ability to get local information.⁴⁰ Similarly, another study—this one conducted by Arbitron and Edison Research—found that a mere 5% of respondents believe that newspapers are the “most essential” media, as compared to 42% who stated that the Internet is “most essential” to their lives.⁴¹ And nearly half of the respondents in the Pew/Knight Foundation survey indicated that they expect newspapers to *disappear* in the future due to the Internet.⁴²

The rise of the Internet and the increasing adoption of broadband are likely only to continue to diminish the position of traditional media. As the *Future of Media Report* observes, “[a]lthough increased broadband penetration has tremendous benefits it will also create further dislocation for traditional media business models in the short run,” as broadband eventually will reach the 22 percent of Americans who are not Internet users (as well as the 35 percent who do

³⁹ *Id.*

⁴⁰ *Id.* at 14 (also noting that 75% of younger adults (age 18-29) and 74% of home broadband users say their ability to get local information would not be affected in a major way by the absence of their local paper).

⁴¹ Arbitron Inc. & Edison Research, *The Infinite Dial 2010: Digital Platforms and the Future of Radio* 11, 14 (2010), available for download at http://www.arbitron.com/study/digital_radio_study.asp (last visited Mar. 15, 2012). This study also found that the Internet is now just as important as television across all respondents, and that for younger consumers the Internet is more important than television. *Id.* at 12-13.

⁴² *Pew Community Information Study* at 14.

not use broadband Internet at home) and who, thus, currently rely on traditional media sources.⁴³ Indeed, the Commission itself has found that “[m]any Americans now turn to the Internet to obtain news,” and that “the Internet has become a *major source* of news and information, which forms the basis for informed civic discourse.”⁴⁴ At the same time, these developments should not be viewed as a sign that newspapers should simply be permitted to die a slow death. To the contrary, newspapers are an important part of the “rich[] and . . . nuanced ecosystem of community news and information”⁴⁵ on which people rely and traditional media, including newspapers, remain most often the sources of breaking news stories,⁴⁶ which renders the requested waiver all the more appropriate.

III. TRIBUNE’S CONTINUED OWNERSHIP OF THE LOS ANGELES PROPERTIES WILL SERVE THE PUBLIC INTEREST.

During the more than ten years of Tribune’s common ownership of KTLA(TV) and the *LA Times*, these properties have provided myriad public interest benefits to residents of the Los Angeles DMA. As demonstrated in the Initial Waiver Request and as expanded upon below,

⁴³ *Future of Media Report* at 269 (citing Gordon Crovitz, former publisher of *The Wall Street Journal*, who says his research over the years “has shown an ‘inverse correlation between broadband penetration and newspaper profitability’”).

⁴⁴ *Preserving the Open Internet; Broadband Industry Practices*, Report and Order, 25 FCC Rcd 17,905, 17,912 (¶ 15) (2010) (emphasis added).

⁴⁵ *Pew Community Information Study* at 1; *see id.* at 16 (noting important “implications about what could happen if a newspaper in town were to disappear” because people turn to newspapers for information that they are not able to get from other sources).

⁴⁶ *See, e.g.,* Pew Project for Excellence in Journalism, *How News Happens: A Study of the News Ecosystem of One American City* (Jan. 2010) at 2, *available at* http://www.journalism.org/analysis_report/how_news_happens (last visited Mar. 15, 2012) (finding that “of the stories” available from a variety of news sources in Baltimore, Maryland during a sample week, 95 percent of those that contained “new” information “came from traditional media—most of them newspapers”).

joint efforts between these media properties have measurably improved each one's ability to deliver in-depth coverage of news events and contribute to the community's awareness and understanding of important local, national, and international issues.⁴⁷ Through its common ownership with the *LA Times*, KTLA(TV) provides programming and local public interest benefits that no television station in the market could offer on its own. These benefits flow directly to the public and would have been exceedingly difficult to attain absent common ownership and Tribune's firm commitment to local news and public affairs programming.

Facilities, Operations, and Employees. The manner in which the facilities, operations, and employees of the Tribune properties in Los Angeles are organized facilitates the provision of the benefits of common ownership to the public without compromising the ultimate editorial independence of either property. KTLA(TV), which is a CW affiliate, operates from studios located at 5800 Sunset Boulevard in Hollywood, northwest of downtown Los Angeles. The *LA Times*' headquarters is located at 202 West First Street in downtown Los Angeles, approximately 5.5 miles from KTLA(TV)'s studios.

To enable easy information exchange between the properties, the two locations are connected by a fiber optic line. KTLA(TV) has the ability to utilize stationary video camera positions at the *LA Times*' headquarters, and *LA Times* reporters use those facilities to deliver on-air reports on KTLA(TV) on a daily basis. *LA Times* reporters also carry cameras allowing them to shoot video that can be uploaded to Tribune video servers and then broadcast during the station's newscasts. The *LA Times* downloads video clips from KTLA(TV)'s servers for use on

⁴⁷ See Initial Waiver Request Section III.A.1.

the newspaper's website. KTLA(TV) also contributes stories and video for LA NOW, the *LA Times*' breaking news blog. In addition, KTLA(TV) reporters are able to call on the *LA Times* for information from the newspaper's extensive electronic archives to enhance their own newsgathering efforts. The *LA Times* also maintains a test kitchen at its headquarters that the television station uses twice weekly to record video segments on food and cooking for use in its mid-day news broadcasts.

After each newsgathering entity holds its daily early and late afternoon assignment meetings, KTLA(TV) and the *LA Times* share, by e-mail, lists of the stories on which they are working. To help manage the information exchange, Tribune employs a Manager of Broadcast Operations, who is on the *LA Times*' payroll but has reporting responsibilities to both the *LA Times*' managing editor and KTLA(TV)'s news director. The Manager of Broadcast Operations facilitates the sharing of material between the newspaper and the television station. Both news organizations alert her to stories on which they are working, and she helps arrange KTLA(TV)'s on-air interviews with *LA Times* reporters. The Manager of Broadcast Operations is also responsible for overseeing the uploading of video content to KTLA(TV)'s video servers by *LA Times* reporters.

As of the end of Tribune's fiscal year 2011 (December 25, 2011), KTLA(TV) had 217 full-time employees, 93 of whom work in the station's news department, an increase of eight news employees since Tribune filed the Initial Waiver Request. As of the end of fiscal year 2011, the Los Angeles Times Media Group, which includes the *LA Times*; *HOY LA*, a Spanish-language daily newspaper; Metromix LA, a local on-line nightlife and events guide; the Times

Community News, which publishes weekly community newspapers; and the California Community News, which provides printing and distribution services for Tribune businesses in the market, had 1,799 full-time employees. Some 559 of these employees work in the news and editorial department of the *LA Times*. One KTLA(TV) sales employee spends some of his time at the *LA Times* headquarters coordinating joint sales opportunities with counterparts at the newspaper. A consumer reporter, who reports for both KTLA(TV) and the *LA Times* is on the payrolls of both. Other than these employees and the Manager of Broadcast Operations, the properties do not share any employees.

News Coverage. KTLA(TV) currently broadcasts 55 hours of local news each week—an increase of eight and one-half hours since the filing of the Initial Waiver Request. This great amount of news exceeds the level provided by any other station in the market and distinguishes KTLA(TV) from other CW affiliates, the majority of which do not originate their own local newscasts.⁴⁸ The station’s current local news schedule is as follows:

⁴⁸ As such, KTLA(TV)’s news coverage also far exceeds the levels supplied by comparably ranked stations in other markets. KTLA(TV) is ranked seventh in the Los Angeles market in terms of all day (9 am to midnight) share as of the February 2012 Nielsen sweeps period. It was ranked eighth when Tribune filed the Initial Waiver Request. See Los Angeles DMA TV Stations and Audience Ratings and Shares (Attachment 3 to the Initial Waiver Request). As the Commission has recognized, stations that are ranked fifth or below are far less likely to carry local news than higher-ranked stations. See *2011 NPRM*, ¶ 41 (“there is generally a drop off between the fourth- and fifth-rated station in the market in the amount of local news broadcast”); *2008 Order*, 23 FCC Rcd at 2045-46 (¶ 62), 2050-51 (¶ 70) (“[T]elevision stations ranked fifth and below in their DMAs are less likely to carry local news, and therefore hold the potential, as a result of a merger with a newspaper, to provide additional news programming to the local community.”). Indeed, the Commission previously found that more than 60% of stations ranked fifth or below provide no local news at all. *2008 Order*, 23 FCC Rcd at 2046 n.204 (¶ 62 n.204).

<i>Program</i>	<i>Time</i>	<i>Days</i>	<i>Hours/Day</i>	<i>Hours/Week</i>
<i>KTLA Morning News</i>	4:00 am – 10:00 am	Monday – Friday	6	30.0
<i>KTLA Morning News (Weekends)</i>	6:00 am – 7:00 am	Saturday	1	4
	6:00 am – 9:00 am	Sunday	3	
<i>KTLA News at 1pm</i>	1:00 pm – 2:00 pm	Monday – Friday	1	5
<i>KTLA News at 6</i>	6:00 pm – 6:30 pm	Monday – Sunday	.5	3.5
<i>KTLA News at 6:30</i>	6:30 pm – 7:00 pm	Monday – Sunday	.5	3.5
<i>KTLA Prime News</i>	10:00 pm – 11:00 pm	Monday – Sunday	1	7
<i>KTLA Sunday Edition</i>	8:00 pm – 10:00 pm	Sunday	2.0	2.0
<i>TOTALS:</i>	<i>Monday-Friday</i>		9	55.0
	<i>Saturday</i>		3	
	<i>Sunday</i>		7	

The station's local news schedule at the time of the filing of the Initial Waiver Request was as follows:⁴⁹

<i>Program</i>	<i>Time</i>	<i>Days</i>	<i>Hours/Day</i>	<i>Hours/Week</i>
<i>KTLA Morning News</i>	4:30 am – 10:00 am	Monday – Friday	5.5	27.5
<i>KTLA News at 1pm</i>	1:00 pm – 2:00 pm	Monday – Friday	1	5
<i>KTLA News at 6</i>	6:00 pm – 6:30 pm	Monday – Sunday	.5	3.5
<i>KTLA News at 6:30</i>	6:30 pm – 7:00 pm	Monday – Sunday	.5	3.5
<i>KTLA Prime News</i>	10:00 pm – 11:00 pm	Monday – Sunday	1	7
<i>TOTALS:</i>	<i>Monday-Friday</i>		8.5	46.5
	<i>Saturday-Sunday</i>		2	

⁴⁹ See Hours and Audience Ratings and Shares of Local News – Los Angeles, CA DMA (Attachment 1 to Initial Waiver Request). In 2011, KTLA(TV) interrupted regularly scheduled programming 107 times to deliver breaking news to local viewers. These segments totaled well over 51 hours of additional news programming, an average of nearly an additional hour per week.

This increase is consistent with the strong commitment to local news that Tribune has demonstrated since it acquired KTLA(TV) in 1985, as shown by steady increases in the amount of local news that it broadcasts to the community. In 1991, KTLA(TV) added a local morning newscast. Since KTLA(TV) and the *LA Times* became commonly owned by Tribune in 2000, the station has added a total of 30.5 more hours of local news to its weekly schedule. Some 14.5 hours of these 26 hours were added in 2009:

- On January 19, 2009, the station added a new half-hour daily early evening newscast, *KTLA News at 6:30*.
- On April 1, 2009, the station expanded the weekday *KTLA Morning News* to begin at 4:30 am rather than 5:00 am.
- On April 1, 2009, the station also introduced a new hour-long midday news program, *KTLA News at 1 pm* on weekdays.
- On September 14, 2009, KTLA(TV) launched a second half-hour daily early evening newscast, *KTLA News at 6*.

In April 2011, KTLA(TV) added another four hours of news when it launched *KTLA Morning News* on the weekend, which airs from 6:00 am to 7:00 am on Saturday and 6:00 am to 9:00 am on Sunday. KTLA(TV) then added a new Sunday evening newscast from 8:00 pm to 10:00 pm and moved the start of its early morning weekday newscast to 4:00 am, increasing it by an additional half-hour per day. As a result, and as noted above, KTLA(TV) today leads all television stations in the market in hours of local news programming.⁵⁰

⁵⁰ Besides the station's regularly-scheduled news programming, KTLA(TV), at the time of the filing of the Initial Waiver Request, also produced and broadcast *Making It*, a weekly magazine show that aired every Sunday morning from 6:30 am to 7:00 am; it highlighted the triumphs and challenges of minority businesses and their contributions to the community. The program featured interviews with local entrepreneurs and business leaders and won numerous awards, including multiple local Emmys. The program was discontinued when KTLA(TV) began broadcasting three hours of news on Sunday mornings.

LA Times reporters often provide background information to KTLA(TV) or appear on-air during the station's newscasts to discuss issues on which they are experts, including the following regularly-scheduled segments:

- Every day during *KTLA Morning News*, *KTLA News at 1pm*, and *KTLA News at 6*, *LA Times* consumer columnist David Lazarus or another member of the *Times* business staff delivers an on-air report on the day's stock market activity. This report often is also edited for broadcast in the *KTLA Prime News*.
- Reporters from the *LA Times*' travel department provide hotel discount information and travel tips each day for broadcast during the "Travel Deal of the Day" segment in the *KTLA News at 1pm*.
- *LA Times* Food Editor Russ Parsons and *LA Times* Test Kitchen Manager Noelle Carter appear several times weekly on KTLA(TV) to discuss cooking tips and recipes in a segment titled "Eat Beat" that is broadcast during *KTLA News at 1pm*.
- Reporters from the *LA Times*' sports department periodically appear on-air during *KTLA News at 6*.

In addition to these regularly-scheduled appearances, KTLA(TV) and the *LA Times* frequently collaborate on breaking local news stories, and *LA Times* reporters appear on KTLA(TV) as breaking news and coverage of special issues warrants. When Michael Jackson died suddenly in 2009, the paper and television station worked together to ensure that all angles of the story were covered and that information was provided as quickly as possible to area residents. On the day of his death, KTLA(TV) provided live news coverage from approximately 3:00 pm until 8:00 pm, and again during the station's regularly scheduled 10:00 pm newscast. Reporters from each organization shared the information that they had gathered, including confirmation of Jackson's death soon after it occurred, exclusive information regarding the investigation into the causes of his death and the details of his will, interviews with family

members, and plans for the public memorial service. On the day of the service at the Staples Center in downtown Los Angeles, KTLA(TV) provided nine hours of live coverage with limited commercial interruptions. KTLA(TV)'s coverage was greatly improved by having ready access to *LA Times* reporter Geoff Boucher, who was the only reporter granted close-up access to the Jackson family and to the underground area of the Staples Center (where Jackson's casket entered and left the building).

Other examples of breaking news events that KTLA(TV) and the *LA Times* have worked on together in the last several years have included the following:

- Both properties have collaborated to cover breaking developments related to the beating of a fan at the Dodgers' Opening Day in April 2011 and also to present developments in the divorce of the team's owners and the team's bankruptcy as soon as they occur.
- During the earthquake in Haiti in early 2010, KTLA(TV)'s newscasts featured information and photos from *LA Times* photographers and reporters who were on-site covering the disaster. Tribune's websites in LA also relied heavily on their dispatches in reporting on the quake.
- In August 2009, KTLA(TV) secured confirmation from the Los Angeles Police Department that a man was terrorizing Hollywood residents and visitors by stabbing them in broad daylight. The station immediately shared this information with the *LA Times*. In addition to KTLA(TV)'s on-air coverage, the *LA Times* sent out an e-mail alert to registered users of its website.
- When an earthquake struck Los Angeles in January 2009, reporters from KTLA(TV) and the *LA Times* teamed up to share photographs, emergency information, and expert commentary.
- In December 2008, the KTLA(TV) newsroom received a tip about the arrest of the son of former California Assembly Speaker Fabian Núñez. In addition to covering this story itself, KTLA(TV) immediately shared the tip with the *LA Times*. Because of the speed with which the newsrooms exchanged this information, the *LA Times* included the story in the next day's print edition at the

last minute, giving *LA Times* readers the only local print coverage of the story that day.

- In September 2008, when a local commuter rail train crashed in Chatsworth, California, killing 25 people, reporters from both KTLA(TV) and the *LA Times* teamed up to provide on-site coverage, which was broadcast on KTLA(TV) and featured on both organizations' websites. In the months following this horrific accident, investigative reporters from the *LA Times* shared the results of their investigations with KTLA(TV), which then used this information in its own reports.

KTLA(TV) and the *LA Times* in recent years have worked together to develop a number of additional investigative reports taking advantage of the deep journalistic experience of the *LA Times* staff and the immediacy and breadth of KTLA(TV)'s reach. Examples of the organizations' investigative collaboration include the following:

- The *LA Times* broke the story of excessive salary payments to government officials in the city of Bell, California on July 15, 2010. Subsequently, KTLA(TV) and the newspaper worked closely to investigate further and present the details of the unfolding story. The *LA Times*' coverage was awarded the Pulitzer Gold Medal for Public Service and a George Polk award from the American Society of Newspaper Editors for local reporting.
- In August 2009, KTLA(TV) reporter Carolyn Costello contributed to an *LA Times* exclusive report on rampant drug use among registered nurses in California and delivered on-air reports during *KTLA Prime News*.
- In May 2009, KTLA(TV) and *LA Times* reporters jointly investigated teachers who had been accused of sexual abuse but were back working in area classrooms. The results of this investigation were reported on KTLA(TV) and published in the *LA Times* as part of a special series titled *Failure Gets A Pass*, an in-depth look at a number of abuses and issues within the Los Angeles Unified School District.

In addition, KTLA(TV) and the *LA Times* frequently work together to provide coverage of entertainment industry news and other issues and topics of significance to residents of southern California, as demonstrated by the following examples:

- Every year, during the major entertainment awards season, the *LA Times* produces a series called “The Envelope,” which generally airs four times, analyzes award nominees, and provides information about each category under consideration at the major awards shows. *LA Times* reporters and critics involved in this series frequently appear in on-air segments during KTLA(TV)’s newscasts to discuss the nominees and predictions of likely award winners. KTLA(TV) provides special coverage on the Saturday night before a Sunday awards ceremony, and the *LA Times* publishes a companion piece on Sunday morning in which its critics handicap the nominees’ chances. *LA Times* reporters also appear in a live “Red Carpet” broadcast on KTLA(TV) in the hours leading up to awards shows and often participate in the *KTLA Prime News* following awards ceremonies to discuss the winners and losers. Other Tribune stations across the country carry the “Red Carpet” coverage.
- For a number of years prior to the filing of the Initial Waiver Request, KTLA(TV) and the *LA Times* partnered on a series of four seasonal specials titled “Sneaks,” which covered movies then in production and nearing release in the Los Angeles area. *LA Times* film critics and reporters were involved with KTLA(TV)’s entertainment reporters in the production and reporting for this program, and the broadcasts included interviews with these critics and reporters to add depth to the station’s coverage.
- Each year, the *LA Times* and KTLA(TV) also work together to cover and promote the New Year’s Day Tournament of Roses Parade. This coverage is shared with Tribune stations across the country.
- During the high school football season, KTLA(TV) covers numerous games each week, showing video highlights on *KTLA Prime News*. In fall 2010 and again in fall 2011, KTLA(TV) devoted a significant portion of its Friday night sportscast from 10:30 pm to 11:00 pm in *KTLA Prime News* to coverage of high school football. Such sportscasts continued until the end of the season in mid-December.
- During both the high school football and basketball seasons, *KTLA Morning News* reporter Gayle Anderson provides coverage of these sports, including live reports from high schools throughout southern California.
- In 2009, during the LA Auto Show, *LA Times* reporters provided expert commentary to KTLA(TV) regarding hybrids and other fuel efficient vehicles. KTLA(TV) broadcast this commentary during its morning newscasts and as part of a half-hour special on the auto show.

- During the 2008 Summer Olympics in Beijing, KTLA(TV) enhanced its coverage by airing commentary and interviews with *LA Times* sports columnists Bill Plaschke and Helene Elliot and sports editor Randy Harvey, all of whom traveled to China to cover the games. Their coverage also highlighted the participation of athletes from California.⁵¹

Wildfire Coverage. KTLA(TV) and the *LA Times* have worked very closely together to provide coverage of wildfires and ensure that residents of the Los Angeles market are prepared to deal with potentially life-threatening conditions. When wildfires are reported, both properties share the latest information they are able to obtain, and *LA Times* photographers ride along in the station's news helicopter to enhance the newspaper's reporting.

In late August 2009, the television station and the newspaper collaborated to provide coverage of the massive fires that broke out in the San Gabriel Mountains north of Los Angeles and quickly became the largest brush fires in Los Angeles County history. KTLA(TV) and the *LA Times* shared the information they gathered regarding active fire areas, evacuation orders, school closings, disaster relief centers, and available animal shelters, so as to provide the latest updates to viewers, readers, and visitors to the Tribune properties' websites as quickly as possible. *LA Times* photographers' aerial pictures of several fire areas appeared in the print edition of the newspaper as well as on its website. The newspaper and television station also shared still photographs and video clips that they received from readers and viewers in the

⁵¹ Since June 2009, KTLA(TV) has been a party to a Local News Service ("LNS") agreement with KNBC(TV) and KTTV(TV), Los Angeles' NBC and Fox O&Os, respectively, under which certain video content is shared among these stations. Each member of the LNS provides two photographers and one assignment desk editor. These individuals continue to be employed by their respective stations but work solely with the LNS. The LNS also separately employs a managing editor, whose salary is paid by all three member television stations. The LNS makes independent news decisions regarding what events or stories to cover and then makes video of these events available to all three member stations. Each individual station decides what, if any, video provided by the LNS it wishes to use. Stations independently assign their own reporters to cover stories for which the LNS provides video.

affected area for use on their websites. On September 1, 2009, a KTLA(TV) reporter worked with several *LA Times* staff members to produce a special report on the extreme physical difficulties of fighting fires in the San Gabriel Mountains, which have very steep terrain, and, because of a lack of major fires for the preceding 60 years, were essentially “tinder boxes.”

In November 2008, KTLA(TV) and the *LA Times* provided team coverage of the Sayre wildfire – a massive fire that swept over the hills above Sylmar in the San Fernando Valley, destroying 615 homes and scorching more than 10,000 acres. Prior to the fall 2008 wildfire season, the television station and newspaper staff jointly gathered information and produced a special section on preparedness that was published in the *LA Times*. KTLA(TV) aired a companion special report. In its story, KTLA(TV) directed viewers to the *LA Times* special section, which provided much more detail than the station could provide on-air. In October 2008, KTLA(TV)’s Lynette Romero and the *LA Times*’ Don Bartletti also teamed up to produce a weeklong series on the history of wildfires in Los Angeles and potential future wildfire problems. In 2007, KTLA(TV) provided extensive coverage of a wildfire that ravaged Griffith Park and threatened a number of the city’s most famous landmarks, including the Los Angeles Zoo, the Griffith Park Observatory, and a popular city playground.

KTLA(TV)’s efforts to cover wildfires and area emergencies have won the station community recognition. For example, in August 2009 the Los Angeles County Office of Emergency Management awarded KTLA(TV) a commendation for its commitment and dedication to emergency preparedness.

Political Coverage. KTLA(TV) and the *LA Times* also work together to provide news coverage of major local and national political stories and events. KTLA(TV)'s coverage of the 2008 Presidential election, for example, benefited from the station's collaboration with the *LA Times* and its access to Tribune's nationwide news resources. KTLA(TV)'s election coverage included interviews with Doyle McManus, the *LA Times*' Washington, D.C. bureau chief, and an *LA Times* political reporter. On Inauguration Day in January 2009, KTLA(TV) again utilized the contributions of *LA Times* staff, including Mr. McManus, to expand the station's coverage of the historic events. The same day, KTLA(TV) and the *LA Times* also provided extensive coverage from the Staples Center and served as the community's principal source of information about the largest Inauguration celebration west of the Mississippi. During the 2008 Democratic and Republican national conventions in Denver and Minneapolis, respectively, KTLA(TV)'s newscasts incorporated information from *LA Times* reporters who were covering these events on location.

Mr. McManus also provided KTLA(TV) with reporting and commentary throughout the campaign season leading up to the November 2010 elections, as well as on election night 2010. In 2012, KTLA(TV) and the *LA Times* are dedicating resources to coverage of upcoming local, state, and national elections, including coverage leading up to California's Republican Party Presidential primary on June 5, 2012. Political coverage on KTLA(TV), which for financial reasons cannot conduct its own political polling, is improved by the station's access to the polls and surveys commissioned by the *LA Times*.

KTLA(TV) and the *LA Times* also collaborated in 2008 on their coverage of the passage of Proposition 8, which amended the California Constitution to define marriage as solely between a man and a woman. On election night, when the outcome was in doubt, the *LA Times*' reporters shared election results with KTLA(TV) for its on-air coverage. KTLA(TV) included in its coverage an interactive map showing voter turnout and voting patterns that the *LA Times* had prepared for its own website. The two newsrooms also provided joint coverage of the mass protests that occurred in West Hollywood following adoption of Proposition 8.

Although KTLA(TV) and the *LA Times* work together to ensure that events occurring in Los Angeles are covered as quickly and thoroughly as possible, each makes its own independent editorial decisions regarding political and news coverage, and they are often critical of one another. In 2009, the *LA Times* published a story about a KTLA(TV) reporter dating the mayor of Los Angeles. In its report, the *LA Times* discussed how this relationship could influence the editorial process at the television station if the reporter in question were to cover issues involving the mayor (which she does not currently cover). KTLA(TV)'s morning entertainment reporter has also criticized the *LA Times* in a number of on-air reports. In addition, the *LA Times* television critic sometimes is critical of the CW network programming carried on KTLA(TV).⁵²

Community Service. Common ownership of KTLA(TV) and the *LA Times* has enhanced each organization's service to its community. Until very recently, KTLA Charities and the *Los Angeles Times* Family Fund held quarterly meetings to discuss ways to improve their community

⁵² See, e.g., <http://www.latimes.com/entertainment/news/tv/la-et-h8r-secret-circle-20110914,0,3134297.story> for an example of his criticism of CW programming in fall 2011.

outreach and evaluate how they could combine their resources to serve Los Angeles residents better. Despite the discontinuation of the meetings, the properties jointly and individually remain extremely involved in the community. Representative programs in which the properties have participated over the past few years include the following:

- In May 2011, KTLA partnered with the National Association of Letter Carriers and the US Postal Service in the national “Stamp Out Hunger Campaign” to raise awareness and collect food for hungry families. The campaign generated more than 2.6 million pounds of food regionally for needy families in greater Southern California. The station is gearing up to participate again in May of 2012.
- Since 2010, KTLA(TV) has worked with “Heal the Bay,” an environmental organization, in its efforts to educate the public about ocean pollution and the danger it poses for beaches. Each year, KTLA(TV) broadcasts a one-hour program promoting the organization’s worldwide volunteer day and airs PSAs recruiting volunteers. The station also reports on the organization’s “report card” grading of beach and water conditions.
- Since 2010, in addition to airing PSAs, KTLA(TV) has broadcast a one-hour special promoting Special Olympics Southern California’s “Summer Games” and other initiatives available to help special athletes. The station also organized and hosted a golf tournament that has raised \$350,000 each year for the Special Olympics.
- Since 2008, KTLA(TV) has promoted the Muscular Sclerosis Society’s “MS Bike tour” through PSAs and the participation of on-air talent in the more than 100 mile, two-day event.
- KTLA(TV) has for many years sponsored the Stan Chambers Journalism Awards Program, which is designed to develop journalism skills for high school seniors. The award provides winning students with a \$1,000 scholarship and the chance to work in the KTLA(TV) newsroom and have their work shown on a KTLA(TV) newscast. Until recently, the *LA Times* helped to promote this annual project.
- Each summer, the *LA Times*, through the *Los Angeles Times* Family Fund, runs a Summer Camp Campaign to help raise funds to support summer camps for local youth. Until recently, KTLA(TV) publicized this campaign by producing and airing a series of public service announcements and including stories in the station’s newscasts.

- For a number of years, KTLA(TV) was deeply involved with the LA's Best program, an after school education, enrichment, and recreation program. The station participated in the program's advisory meetings and fundraising events and broadcast public service campaigns for it.
- From 1998 to 2010, the *LA Times* ran the "Reading by 9" program to address southern California's elementary school reading crisis. This program championed early literacy by creating and distributing an annual "Parent Reading Guide" publishing a "Kids' Reading Room" section in the newspaper's Sunday comics, and hosting book fairs.
- KTLA(TV) and the *LA Times* work to promote the LA Festival of Books, a community outreach event to promote literacy that attracts approximately 150,000 attendees annually.
- Each year, KTLA(TV) hosts numerous meetings and workshops for the Print, Interactive Radio and Television Educational Society ("PIRATES"), which is dedicated to helping nonprofit organizations work effectively with the media.
- Since 2009 KTLA(TV) has worked with the Los Angeles Regional Food Bank to raise awareness of hunger and promote and secure donations of food. The station dedicates air time throughout the two days prior to Thanksgiving, to solicit donations. Each year, on-air efforts include extensive cut-ins to regularly-scheduled programming to promote further contributions of food. KTLA(TV)'s 2010 and 2011 efforts produced over 125 tons in donated food goods. In 2009 and 2010, the Los Angeles Regional Food Bank recognized KTLA(TV)'s efforts to help feed the hungry by awarding the station its Community Awareness and Impact Award.
- In 2009, KTLA(TV) partnered with Habitat for Humanity to construct two houses.

In addition to these events and organizations, KTLA(TV) and its employees actively participate in the Annual Ronald McDonald House Walk, the Salvation Army's Fill the Kettle Drive, the Boys and Girls Club Toy Drive, and the Chabad House Telethon.

Awards. The exceptional local coverage delivered by KTLA(TV) and the *LA Times* has been recognized with numerous journalistic awards. KTLA(TV) reporter Stan Chambers, who

retired in 2010 after a long career with the station that started when KTLA(TV) began broadcasting in 1947, has been the namesake of the Stan Chambers Lifetime Achievement Award annually bestowed by the Associated Press Television and Radio Association since 2006.

In 2011, KTLA(TV) won six local Emmy awards, including “Best Breaking News Coverage” for “Storm Watch,” “Best News Special” for “Assignment Iraq,” “Best Entertainment Programming for the “Tournament of Roses Parade Countdown” program, and the “Best Live Special Events Coverage” for the station’s “2010 Rose Parade” coverage. In 2010, KTLA(TV) won five local Emmy awards, including “Best Morning News” and “Best Breaking News Coverage,” the latter for its coverage of Michael Jackson’s death.

In 2009, *KTLA Morning News* won the local Emmy award for “Best Regularly Scheduled Daily News – Daytime Newscast.” KTLA(TV)’s coverage of the Tournament of Roses Parade also earned a local Emmy award for “Best Live Special Events Programming.” In addition, the station was nominated in 2009 for the local Emmy award in the Best Entertainment Coverage category for its “Live from the Emmys” program, which featured red carpet coverage of the event. Also in the same year, the Radio and Television News Directors Association of Southern California awarded the station a Golden Mike Award for a news feature entitled “Squatter Standoff.”

In 2008, the station’s news reporting garnered the following local Emmy awards: “Regularly Scheduled Daily News: Daytime Newscast” for the station’s morning news programming and “Entertainment Programming” for KTLA(TV)’s coverage of the countdown to the Tournament of Roses Parade. The station was also nominated for a local Emmy award for

“Live Coverage of an Unscheduled News Event” for its coverage of wildfires that scorched Griffith Park in 2007.

Over the years, the *LA Times* has received a large number of awards for journalistic excellence, including 41 Pulitzer Prizes. As noted earlier, the *LA Times*’ coverage of the Bell, California excessive salary scandal earned the Pulitzer Gold Medal for Public Service in 2011. In 2009, *LA Times* reporters Julie Cart and Bettina Boxall received a Pulitzer for a five-part series on the cost and effectiveness of attempts to fight the growing scourge of wildfires in the western United States.

IV. THE REORGANIZED LICENSEE IS ENTITLED TO A PERMANENT WAIVER OF THE NBCO RULE.

In its Initial Waiver Request, the Reorganized Licensee demonstrated that it is entitled to a permanent waiver of the NBCO Rule that would allow continued common ownership of the properties by the Reorganized Licensee, as well as subsequent sale of the properties in tandem.⁵³ Although the Initial Waiver Request addressed the modified NBCO Rule waiver standards which the FCC adopted in 2008 and which the Third Circuit vacated in *Prometheus II*, the Reorganized Licensee also explained that even if those modified standards were found not to be applicable to the Waiver Request for some reason (including potential developments in the Third Circuit litigation), a permanent waiver would be appropriate under prior waiver standards.⁵⁴

When the Commission first adopted the absolute ban on newspaper/broadcast cross-ownership in 1975, it acknowledged that waivers of the rule should be available when “for

⁵³ See Initial Waiver Request Section IV.

⁵⁴ See *id.*

whatever reason, the purposes of the rule would be disserved by divestiture” and those purposes “would be better served by continuation of the current ownership pattern.”⁵⁵ The Initial Waiver Request demonstrated that grant of a waiver under this standard was warranted because the evidentiary record here not only satisfies the waiver test on its face, but also contains a factual showing that is at least as compelling as prior situations in which the agency has granted such relief.⁵⁶ The Reorganized Licensee’s initial showing of entitlement to a waiver under the 1975 standard is even more compelling now, particularly given the ever-expanding competition and media diversity and growing economic pressures that newspaper and broadcast stations currently face as well as the co-owned properties’ continuing record of outstanding local service—a record that would be unlikely to be maintained if the FCC were to compel separation of the properties at issue.⁵⁷

Furthermore, it is notable that the *Future of Media Report* correctly concluded that allowing combinations of newspaper and broadcast properties can produce synergies that result in increases in the quantity and improvement in the quality of news and other information available to consumers in the local marketplace. Indeed, the *Report* correctly observes that a greater number of independent media outlets in a market “*is not necessarily better*,” thus undermining the central premise behind the NBCO Rule itself: “The nature of the ‘diversity’ calculus may have changed. In an earlier day, it was reasonable to assume that a diversity of

⁵⁵ *Multiple Ownership of Standard, FM & Television Broad. Stations*, Second Report and Order, 50 F.C.C.2d 1046, 1085 (¶ 119) (1975), *aff’d FCC v. Nat’l Citizens Comm. for Broad.*, 436 U.S. 775 (1978).

⁵⁶ See Initial Waiver Request Section IV.

⁵⁷ See *supra* Sections II-III.

‘voices’ indicated general media health. Now, a media market can simultaneously have a diversity of voices and opinions and yet a scarcity of journalism.”⁵⁸ In addition, the *2011 NPRM* acknowledges that “[c]ompulsory divestiture is disruptive to the industry and to individual owners,” an acknowledgment with particular relevance here given that all of the combinations at issue have been under common ownership for a number of years.⁵⁹

Finally, it bears reiteration that the requested waiver would not create a new media combination and thus necessarily would not result in any diminution in diversity or competition, a factor which the FCC has relied on in numerous prior cases in which it has granted permanent waivers of the media ownership rules.⁶⁰ As a result—and particularly in view of the duration of Tribune’s bankruptcy proceedings and the need for the Commission to afford comity to the bankruptcy process—a permanent waiver of the NBCO Rule is appropriate.

⁵⁸ *Future of Media Report* at 312; *see also id* at 26.

⁵⁹ *2011 NPRM*, ¶¶ 100, 114.

⁶⁰ *See, e.g., AMFM, Inc.*, Memorandum Opinion and Order, 15 FCC Rcd 16,062, 16,069 (¶ 15) (2000) (allowing transfer of an existing combination and recognizing that such a transfer “do[es] not increase the combined advertising revenue shares of ... existing groups or result in increased levels of ownership concentration”); *EWS News Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 20,243, 20,247 (¶ 15) (1997) (awarding permanent waiver and stating that “since grant of this application will preserve an existing combination, we do not believe that continued joint ownership of the stations will decrease the level of diversity and competition in the market”); *see also Solar Broad. Co.*, Memorandum Opinion and Order, 17 FCC Rcd 5467, 5475 (¶ 24) (2002); *Am. Radio Sys. Corp.*, Memorandum Opinion and Order, 13 FCC Rcd 12,430, 12,437-48 (¶ 11) (1998); *Houston H. Harte*, Memorandum Opinion and Order, 12 FCC Rcd 13,418, 13,422-23 (¶ 16) (1997); *Paso Del Norte Broad. Corp.*, Memorandum Opinion and Order, 12 FCC Rcd 6876, 6882 (¶¶ 13-14) (1997); *River City License P’ship*, Memorandum Opinion and Order, 12 FCC Rcd 4993, 4997-98 (¶ 13) (1997); *Kelso Partners IV, L.P.*, Memorandum Opinion and Order, 11 FCC Rcd 8764, 8768-69 (¶ 11) (1996). *Accord United States Department of Justice and Federal Trade Commission Horizontal Merger Guidelines* (Aug. 19, 2010) at 19, available at <http://www.justice.gov/atr/public/guidelines/hmg-2010.html> (last visited Mar. 15, 2012) (stating that transfers that do not increase ownership concentration are “unlikely to have adverse competitive consequences and ordinarily require no further analysis”).

V. **AT A MINIMUM, THE REORGANIZED LICENSEE IS ENTITLED TO A TEMPORARY WAIVER PENDING PROCEEDINGS TO REVISE THE NBCO RULE.**

In its Initial Waiver Request, the Reorganized Licensee established that, if the Commission were for some reason to conclude that a permanent waiver of the NBCO Rule is not appropriate, the agency should at a minimum grant a temporary waiver of the rule until 18 months after the pending proceedings to revise it become final.⁶¹ As explained therein, the FCC has previously granted such waivers when the public interest would be served, and particularly in the face of “protracted rulemaking proceedings” in which there is “a substantial record on which to base a preliminary inclination to relax or eliminate a rule.”⁶² The Initial Waiver Request demonstrated that Commission precedent supports grant of a waiver involving such proceedings where an application also “falls within the scope of the proposals in the proceeding, and a grant of an interim waiver would be consistent with the goals of competition and diversity.”⁶³ As the FCC has emphatically stated, “[w]hat is important is whether the public interest would be served by a grant of a waiver”; here, there can simply be no dispute that it would.⁶⁴

Since the filing of the Initial Waiver Request in 2010, the proceedings to revise the NBCO Rule have only become more “protracted” and the record supporting its relaxation or elimination even more “substantial” (particularly when considering the findings of the *Future of*

⁶¹ See Initial Waiver Request Section V.

⁶² 1998 Biennial Regulatory Review, Notice of Inquiry, 13 FCC Rcd 11,276, 11,294 (¶ 56) (1998) (“1998 Biennial Review NOF”).

⁶³ *Id.*

⁶⁴ *Id.* at 11,294-95.

Media Report); it has only become more clear that an interim waiver would comport with the FCC's goals of promoting diversity, localism, and competition; and, all the while, the requested waiver has remained within the scope of the proposals in the proceedings to revise the rule.

Indeed, the Commission is now well into the second decade of proceedings to revise the rule.⁶⁵ The FCC recently released its *2011 NPRM*, having received comments on a Notice of Inquiry in the summer of 2010 and completed and publicly released eleven research studies in the summer of 2011. This 2010 Quadrennial Review proceeding is the *fifth* successive periodic review to be conducted pursuant to § 202(h) of the Telecommunications Act of 1996 and the seventh proceeding to consider reform of the NBCO Rule when a 1996 *Notice of Inquiry* and 2001 *Notice of Proposed Rulemaking* focused solely on the NBCO Rule are taken into account.⁶⁶ As an initial matter, there can be little doubt that the record assembled in response to the *2011 NPRM* will further support repeal, or at least substantial relaxation, of the rule, particularly in light of the continued marketplace changes that are documented above.⁶⁷ In addition, the FCC itself has now found, on *three separate occasions*, that maintenance of the absolute ban cannot be justified.⁶⁸ Most recently, in the *2011 NPRM* the FCC states that it “continues to believe . . . that a blanket prohibition on newspaper/broadcast combinations is overly broad and does not

⁶⁵ See Initial Waiver Request Section V.

⁶⁶ *Newspaper/Radio Cross-Ownership Waiver Policy*, Notice of Inquiry, 11 FCC Rcd 13,003 (1996); *Cross-Ownership of Broad. Stations and Newspaper*; *Newspaper/Radio Cross-Ownership Waiver Policy*, Order and Notice of Proposed Rulemaking, 16 FCC Rcd 17,283 (2001).

⁶⁷ See *supra* Section II.

⁶⁸ See Initial Waiver Request Section V.

allow for certain cross-ownership that may carry public interest benefits.”⁶⁹ The Third Circuit expressly *upheld* the FCC’s previous determination on this issue in *Prometheus I*.⁷⁰ And, the remand in *Prometheus II* was based not on any substantive disagreement with the Commission’s bottom-line conclusion that the rule was ripe for at least some relaxation, but on the ground that the agency had failed to comply with the APA’s notice and comment requirements as to the specific standards adopted in 2008.⁷¹ Given these rulemaking determinations that an absolute ban on newspaper/broadcast cross-ownership should not be enforced, a failure to grant the requested waiver would be arbitrary and capricious. And, there is certainly no arguable basis on which to conclude that the proceedings concerning the NBCO Rule are not “protracted” or that there is not a “substantial record . . . on which to base a *preliminary* inclination to relax or eliminate” the NBCO Rule.⁷²

The requested waiver is also clearly within the scope of the proposals for revision that have been set forth in these protracted proceedings. The Initial Waiver Request documented compliance with the 2008 waiver standards, which the Commission largely proposes to reinstate in the *2011 NPRM*.⁷³ The Initial Waiver Request demonstrated, moreover that the Reorganized

⁶⁹ *2011 NPRM*, ¶ 89.

⁷⁰ *Prometheus Radio Project v. FCC*, 373 F.3d 372, 398-400 (3d Cir. 2004), *cert. denied*, 545 U.S. 1123 (2005) (“*Prometheus I*”).

⁷¹ *Prometheus II*, 652 F.3d at 449-54.

⁷² *1998 Biennial Review NOI*, 13 FCC Rcd at 11,294 (¶ 56) (emphasis added).

⁷³ See Initial Waiver Request Sections IV, V.

Licensee would have been entitled to a waiver under the 2003 version of the NBCO Rule, a demonstration which similarly remains relevant to the instant showing.⁷⁴

Finally, the grant—at a minimum—of a temporary waiver remains consistent with the Commission’s diversity, localism, and competition goals. The combination’s outstanding record of public service has, as shown above, continued since the filing of the Initial Waiver Request, while the market has become even more diverse and competitive.⁷⁵ Here again, because this transaction involves only the transfer of *existing* ownership interests, allowing continued cross-ownership by definition cannot have any adverse impact on existing diversity or competition levels.⁷⁶

In sum, under these circumstances, and as the Reorganized Licensee established previously, it would be arbitrary and capricious, inequitable, inconsistent with the FCC’s policy of affording comity to the bankruptcy process, and wholly contrary to the public interest for the Commission to require the instant combination to be disassembled. At the very least, a temporary waiver pending conclusion of proceedings to revise the NBCO Rule is warranted on this record.

VI. CONCLUSION

For the reasons set forth above and those provided in the Initial Waiver Request, the FCC should grant the Reorganized Licensee a permanent waiver of the NBCO Rule permitting the

⁷⁴ See *id.* Section V.

⁷⁵ See *supra* Sections II, III.

⁷⁶ See *supra* note 60.

continued common ownership of the properties at issue and also permitting a subsequent sale of those properties in tandem. At the very least, the FCC should grant a temporary waiver extending until 18 months after the Commission completes its pending review of the NBCO Rule and that action becomes a final order no longer subject to judicial review.